

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 USIE-00 INRE-00
NSCE-00 SSO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01 /101 R

DRAFTED BY: EB/OT/STA:MCJONES

APPROVED BY: EB/OT/STA:JSSPIRO

TREAS:RSELF

EA/K:PHMAYHEW

EA/ROC:HENGELBRECHT

STR:BPLASKOTA (INFO)

-----021630Z 038641 /43/63

O R 012138Z JUN 77

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL IMMEDIATE

AMEMBASSY TAIPEI IMMEDIATE

INFO AMEMBASSY PARIS

USMISSION GENEVA

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USOECD USMTN ALSO FOR US MISSION

C O R R E C T E D COPY (SECOND LINE OF SUBJ LINE OMITTED)

E.O. 11652: ADS, DECLAS 5/2/77

TAGS: ETRD, KSTW

SUBJECT: COUNTERVAILING DUTY INVESTIGATIONS OF HANDBAGS
FROM KOREA AND THE REPUBLIC OF CHINA

REF: STATE 169354 11/30/76

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1. TREASURY WILL PUBLISH IN THE FEDERAL REGISTER OF JUNE
3, 1977, NOTICES OF AFFIRMATIVE COUNTERVAILING DUTY DETER-
MINATIONS THAT BOUNTIES OR GRANTS ARE BEING PAID OR
BESTOWED ON EXPORTS OF HANDBAGS FROM CERTAIN FIRMS IN
KOREA AND THE REPUBLIC OF CHINA (ROC). THE TSUS CATEGORIES
COVERED BY THE DETERMINATIONS ARE 706.08, 706.20, 706.22,

706.23, 706.24, 706.30 AND 706.60 FOR BOTH COUNTRIES PLUS
706.06 FOR KOREA AND 706.10, 706.12 AND 706.4 FOR THE ROC.

2. A COUNTERVAILING DUTY OF .5 (POINT FIVE) PERCENT WILL
BE IMPOSED ON HANDBAGS FROM TWENTY SEVEN KOREAN FIRMS
WHICH ACCOUNT FOR APPROXIMATELY ONE THIRD OF KOREA'S HAND-
BAG EXPORTS TO THE U.S. COUNTERVAILING DUTIES OF TWO PER-
CENT WILL APPLY TO TWO ROC FIRMS AND OF .8 (POINT EIGHT)
PERCENT TO ONE FIRM. THE THREE ROC FIRMS, WHICH EXPORTED
ABOUT FOUR MILLION DOLLARS IN HANDBAGS TO THE U.S. IN
1975, RECEIVE BENEFITS IN THE FORM OF PREFERENTIAL
FINANCING AND OF A TAX HOLIDAY WHICH EXPIRES AT THE END OF

OF 1977. (THE COUNTERVAILING DUTY ORDER AGAINST THESE
THREE ROC FIRMS WILL BE REVOKED AFTER THE EXPIRATION OF
THE TAX HOLIDAY. IN BOTH THE KOREAN AND ROC INVESTIGA-
TIONS IT WAS FURTHER DETERMINED THAT OTHER HANDBAG
PRODUCERS OR EXPORTERS: (A) DID NOT RECEIVE BOUNTIES OR
GRANTS, OR (B) THAT THE AMOUNTS OF THE BOUNTIES OR
GRANTS RECEIVED WERE LEGALLY DE MINIMIS.

3. 1975 U.S. IMPORTS OF HANDBAGS WERE VALUED AT 28.7
MILLION DOLLARS FROM KOREA AND AT ROUGHLY 17.5 MILLION
DOLLARS FROM THE ROC.

4. THE KOREAN AND ROC EMBASSIES WERE INFORMED JUNE 1 AND
A LIST OF THE FIRMS INVOLVED HAS BEEN GIVEN TO THEM.
WE WILL POUCH THE LISTS TO POSTS AS SOON AS WE RECEIVE
THEM. A PRESS RELEASE WILL BE ISSUED JUNE 2. CHRISTOPHER
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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jun-1977 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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From: STATE
Handling Restrictions: n/a
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